(c) RBI and National Bank for Agriculture and Rural Development (NABARD) have taken inter-alia the following measures to improve the flow of credit to agriculture:

Advising the commercial banks to step up their direct lending to agriculture to achieve the target of 18 per cent of Net Bank Credit;

Advising the public sector banks to prepare Special Agriculture Credit Plans (SACPs) for increasing the credit flow to agriculture;

Coverage of all eligible farmers by March 31, 2004 under the Kisan Credit Card Scheme;

Refinance to banks at concessional rate of interest to enable them to increase credit flow to agriculture sector;

Advising all public sector banks to provide crop loans up to Rs.50,000/- at 9 per cent rate of interest to cover almost all small and marginal farmers;

Lowering the rates of interest to banks on contribution to Rural Infrastructure Development Fund (RIDF) as a penalty for shortfalls in agriculture credit.

Amending the NABARD Act to facilitate NABARD to refinance District Central Co-operative Banks (DCCBs) directly so as to reduce interest rates on crop loans by cooperatives.

Exemption of Income Tax

*312. SHRISUKHDEV SINGH LIBRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have not issued notification exemption income from Varishtha Pension Bima Yojana from income tax so far as was stipulated in the budget speech when the scheme was announced; and

(b) if so, the reasons for the delay and by when the required notification is expected to be issued?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) No such stipulation was made during the budget speech.

(b) Does not arise.

Allocation of Funds to M.P., Chhattisgarh and Rajasthan

*313. SHRISURESH PACHOURUWill the Minister of FINANCE be pleased to state:

(a) the percentage of amount allocated by the Eleventh Finance Commission to Madhya Pradesh, Chhattisgarh and Rajasthan;

(b) whether this amount has been earmarked on the basis of population, backwardness and urgent needs of each State;

(c) if so, the details of amount allocated in comparison to other States; and

(d) whether Government have received any request for more claim by way of reaction from above States and if so, the action taken till date thereon?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) The Eleventh Finance Commission (EFC) recommended allocations of 8.04% for the then existing State of Madhya Pradesh and 5.42% for the State of Rajasthan. The State of Chhattisgarh had not come into existence at the time EFC made recommendations.

(b) EFC based their recommendations on various criteria including population and backwardness.

(c) Statement showing State-wise estimated total transfers including the share of newly created States under recommendations of EFC is enclosed. (See below).

(d) Of the three States, only Rajasthan made a representation for modifying EFC recommendations. The Government of India accepted the recommendations of EFC relating to devolution of Union taxes and duties, quantum of grants-in-aid and debt relief to States without any modification.